

**UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

In re:

Chapter 11

VICTOR H. MAIA

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Bankruptcy Case # 18-16907-JKF

Debtor.

**OBJECTION TO DEBTOR'S AMENDED DISCLOSURE STATEMENT  
OF AUGUST 13, 2019 BY THE UNITED STATES TRUSTEE**

Andrew R. Vara, the Acting United States Trustee for Region 3, ("UST"), by and through the undersigned counsel, hereby files this objection (the "O b j e c t i o n") to the the Amended Disclosure Statement proposed by the Debtor filed on August 13, 2019 In support of this Objection, it is averred as follows:

**PRELIMINARY STATEMENT**

1. The Disclosure Statement should not be approved because it fails to provide adequate disclosure of what creditors are likely to receive and omits Exhibits referenced therein.

**BACKGROUND**

2. On October 17, 2018, the Debtor commenced the above-captioned Bankruptcy case by filing a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "B a n k r u p t c y C o d e").

3. On August 13, 2019, the Debtor filed its Amended Disclosure Statement and Plan of Reorganization ("Plan") proposed by the Debtor.

**OBJECTION**

4. Bankruptcy Code § 1125(a)(1) defines “adequate information” as: “Information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the debtor...that would enable a hypothetical reasonable investor ... to make an informed judgment about the plan.” The failure of the Disclosure Statement to provide interested parties with a realistic understanding of what they will receive is an insurmountable hurdle to approval. A Disclosure Statement must clearly and succinctly inform the average unsecured creditor what it is going to get, when it is going to get it, and what contingencies there are to getting its distribution.

5. The Amended Disclosure Statement fails to adequately and clearly inform interested parties, particularly unsecured creditors, what they are going to get and when they are going to receive it. Simply referring to Exhibit F setting forth projections on the second to the last page of the Statement is woefully inadequate.

6. Particularly, Debtor’s Disclosure Statement fails to set forth:

- a. Sufficient information as to periodic payments of arrearages on secured claims;
- b. Timing and amount of installments and on nonconsensual secured claims; and
- c. Percentage and timing of payments general unsecured claims;
- d. Percentage of pro-rata distributions to general unsecured litigation creditors;

WHEREFORE, for the foregoing reasons, The UST respectfully submits that Debtor’s

Disclosure Statement cannot be approved as presented and the underlying Motion therefore should be denied.

Respectfully submitted,

August 16, 2019

**Andrew R. Vara**  
**ACTING UNITED STATES TRUSTEE**  
**Region 3**

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